

# DOERUN GIN COMPANY, INC.

"Serving South Georgia's Finest Cotton Producers"

RCVD OCT 1 10 1

6522 HIGHWAY 133 NORTH  
P.O. BOX 550  
DOERUN, GA 31744

PHONE: (229) 782-5278  
FAX: (229) 782-7402  
[doegin@southsouth.com](mailto:doegin@southsouth.com)

September 25, 2001

Mr. Roger Hinkle  
Warehouse and Inventory Division  
Farm Service Agency - USDA  
STOP 0553  
1400 Independence Avenue, SW  
Washington, DC 20250-0553

Dear Mr. Hinkle:

The company for which I work is a cotton gin and warehouse in Georgia. We have been using electronic cotton warehouse receipts for several seasons. Proposed rules for the U. S. Warehouse Act were printed in the "Federal Register" last September 4, and there are several comments I wish to share.

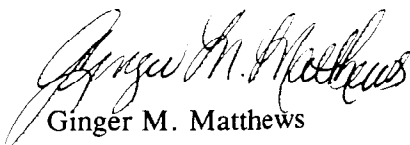
From what I have observed it appears that Providers in the cotton industry have treated most users equally and fairly. However, as electronic receipts expand into additional crops Providers in general may become associated with companies whose primary interest is not in providing fair, equitable treatment to all users. To prevent any problems arising from such a situation I would like to see added to the proposed rules some type of statement which requires the Providers to act independently of any bias, be impartial in treatment of users, and avoid conflicts of interest. I think it is prudent to include this now rather than to have to address a problem that might otherwise result.

It appears that, for some reason, the proposed Provider Agreement for electronic receipts only requires a Provider to move receipts issued in the past year to a new Provider if a warehouse decides to transfer to a new Provider. This makes no sense. Why would only some of the open receipts be moved from an old Provider to the new Provider? Whatever reasoning was behind this idea was flawed. The Provider Agreement has to be altered so that, when a switch to a new Provider occurs, all of the open receipts on the old Provider's system are moved onto the new Provider's system.

Each warehouse must have only one Provider at a time. The proposed rule does not indicate that a warehouse cannot have more than one Provider. If allowed, some warehouses will decide to have multiple Providers and the result (likely unintentional) will be that more than one receipt will be issued for a single bale. This will impair integrity of the receipt as a title document. USDA should do everything it can to prevent multiple receipts being issued for one bale. The rules need to state that a warehouse may only have one Provider at a time.

I would request your thoughtful consideration of my ideas.

Sincerely,



Ginger M. Matthews

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